



King County

Metropolitan King County Council Growth Management and Natural Resources Committee

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Prepared by: Kendall Moore
Rick Bautista
Mike Alvine

Attending: Ray Moser, BRED
Paul Reitenbach, DDES

SUBJECT

Briefing on Executive's 2008 recommended amendments to King County Comprehensive Plan ("KCCP"), Chapter 9 – Economic Development.

SYNOPSIS OF KEY ISSUES

This a new chapter containing text and policies moved from Urban Communities, Chapter 2, and a new section including polices specifically related to the Rural Economy, based on the Rural Economic Strategies Report.

- new chapter 9 emphasizing Economic Development a county-wide element ED 101 and 103.
- updating the policies based on new statistic and realities.
- linking policies to the Central Puget Sound Economic Development District's¹ Regional Economic Strategy report, developed by a coalition of over 200 public and private entities in the four-county region called Prosperity Partnership.
- new policies integrating the Rural Economic Strategies into the Comprehensive Plan.

Overview of Pertinent Chapter Sections and Issues:

A. Section I. Overview (pp. 9-1 through 9-3)

The introduction to the policies in this section give an overview of the economic vitality of King County and provides a snap shot in time of the jobs versus population for the County. The policies in this Section and as well as Section II through IV were located in the Urban Chapter in the 2004 Comprehensive Plan. By moving these to a new chapter

¹ Central Puget Sound Economic Development District (also referred to as merely "EDD") is an adjunct to Puget Sound Regional Council.

and not limiting them to only apply to urban, unincorporated area reinforces that these policies apply county-wide, as evidenced by the proposed changes to ED 101 and ED 103.

~~((U-304))~~
ED-101 King County has a long-term commitment to sustainable economic development on a countywide basis. Sustainable economic development shall mean economic development that does not exceed the ability of the natural or built environments to remain healthy while sustaining growth over the long term.

~~((U-303))~~
ED-103 King County policies, programs, and strategies shall recognize the importance of providing job opportunities for all residents and will place special emphasis on training low-income, low-skill residents for job opportunities with ~~((livable wages,))~~ benefits~~((,))~~ and wage-progression and retention strategies.

Based on a Northwest Jobs Study, the other change in ED 103 recognizes that low skill, entry level jobs do not pay a living wage. The emphasis of this policy is shifted to encourage jobs that provide benefits and wage progression.

B. Section II. Business Development (pp. 9-4 through 9-6)

1. Clustering

Like the policies in Section I, those in this Section were previously in the Urban Chapter. The introductory paragraphs to this section set forth the statistical breakdown of the “basic industries”² in King County. While these policies, ED 109 through ED 114, appear on the face to be more urban in character, when one realizes that industrial uses are located in the Rural Area (e.g. Preston and Vashon), these policies can be applicable to both the Urban and Rural Areas of unincorporated King County. However, care must be taken when applying county-wide/ policies in Rural Areas to ensure that the activities and outcomes are consistent with the rural character of King County.

The Regional Economic Strategy report forms a foundation for the policies in this Section. One of the basic tenets of that report is to promote the vertical and horizontal clustering of services and businesses that supply five targeted industries identified by the report as offering the best opportunities for economic growth and job creation in the region. Those five industries are: Aerospace, Clean Technology, Information Technology, Life Sciences and International Trade. See page 9-4. The proposed amendments to ED 109 and ED 111 support this focus.

~~((U-309))~~
ED-109 King County supports programs and strategies to help create, retain, and expand homegrown businesses in basic industries, particularly ~~((within the county’s manufacturing and industrial areas))~~ those industrial

² Industries and firms that export their services or products out of the County. Jobs in basic industries on average pay more than non-basic jobs. See page 9-4.

clusters offering the best opportunities for business growth and job creation as identified in the Regional Economic Strategy.

~~((U-314))~~

ED-111

King County supports programs and strategies for the targeted recruitment of firms that will:

- ~~((b.))~~a. Export their goods or services and/or have the potential for high levels of growth and wages~~((;))~~, particularly those firms within the industrial clusters identified by the Regional Economic Strategy; or
- ~~((a.))~~b. Support the county's basic industries by providing services that help keep existing firms globally competitive~~((; or))~~.

The proposed changes to ED- 110 are intended to reflect the direction of the County's emphasis in promoting small businesses and to provide more opportunities to them.

~~((U-310))~~

ED-110

King County supports programs and strategies, in partnership with the federal, state, and local governments and the private sector, that provide technical and financial assistance to ~~((homegrown))~~ businesses including, but not limited to:

- ~~((c.))~~ ~~((Mentoring, financial management training, and other technical assistance to disadvantaged businesses, particularly in the construction industry,))~~ Financial, marketing, expansion, and general operations assistance for small businesses to help them become competitive in the private sector;
- b. Incentives and/or other methods for small businesses to gain greater participation on county-funded public works, consulting, and goods and services contracts;
- ~~((a.))~~ ~~((Pollution prevention and assessments of contamination to enable manufacturers to remediate contaminated property to continue or expand production;))~~ Assessment and/or remediation of contaminated property (Brownfields) in order to continue or expand operations to help individual small businesses or jurisdictions impacted by Brownfields;
- d. ((Workforce recruitment, training and retention assistance.)) Supporting small businesses to pursue historic building façade improvements or jurisdictions to pursue historic business district revitalization projects; and
- ~~((b.))~~ Technological, efficiency, and managerial assessments to
 - e. ~~((enable))~~ help manufacturers ~~((to))~~ reduce costs and use smaller footprints for existing or expanded production~~((;))~~.

2. Essential infrastructure

The Executive staff, acknowledged "schools" and an "adequate supply of housing" as essential infrastructure elements, as described in ED 114. Retaining these elements would be consistent with the Regional Economic Strategy report. However, this may be an example of a policy where extra care in drafting the policy to avoid applying county-

wide policies in Rural Area, to ensure that the activities and outcomes are consistent with the rural character.

~~((U-314))~~

ED-114

King County recognizes that adequate infrastructure is essential to support existing economic activity and to attract new industry and development. The county therefore supports programs and strategies to maintain existing infrastructure and construct new facilities (transportation, utilities, ~~((schools,))~~ information, communications)~~((, including an adequate supply of housing,))~~ necessary to accommodate current and future economic demand.

C. Section III. Workforce Development (pp. 9-7 through 9-8)

The proposed modifications to ED 116 are intended to reflect the changes in the direction of the County's employment and job training, targeted more towards those involved in the criminal justice system and also summer programs for youth at risk.

~~((U-317))~~

ED-116

King County supports programs and strategies to provide employment and training opportunities to low-income and low-skilled residents including:

- a. Programs that facilitate employer involvement in hiring ~~((low-income and low-skilled))~~ workers with limited experience and skills, and provide successful strategies for skills training, job placement, and retention for workers;
- b. Training for and placement ~~((of low-income and low-skilled workers))~~ in jobs in growing industries that pay an ~~((entry-level))~~ average wage rate of ((at least \$8.00)) \$13.66 per hour ((in year 2000 dollars)), provide benefits, and offer workers wage progression opportunities~~((— This hourly figure is to be evaluated during each update of this plan and adjusted to reflect changes in cost-of-living or other similar indices and consideration of market conditions))~~;
- c. Programs that reduce recidivism by helping residents involved in the criminal justice system gain access to employment and training services in lieu of jail sentencing;
- ~~((e-))~~d. School-to-work programs and effective alternatives for out-of-school youth; and
- ~~((d-))~~ e. ~~((Services to enable unemployed, underemployed and dislocated workers to obtain employment at a wage that enables them to be self-sufficient.))~~ Summer youth employment programs for at-risk youth.

In keeping with the policies in chapter 4 regarding mitigation and adaptation to climate change, included as a new employment policy is ED-119, to promote “green collar” jobs.³

ED-119a King County supports programs, strategies, and partnerships to promote the development and growth of green jobs. Green jobs—particularly in the Clean Technology cluster but also across all industry clusters—are jobs that are linked to the preservation and sustainability of the natural environment.

D. Section V Rural Economy⁴ (pp. 9-11 through 9-13)

In response to a 2004 budget proviso directing the Executive to develop economic strategies tailored for the Rural Area, in December of 2005, the Executive transmitted the Rural Economic Strategies report. This document outlines policies, strategies and actions that King County will pursue to encourage rural economic development that is consistent with the rural character of the County. Although the Council did not act to review and adopt the Rural Economic Strategies report as a stand-alone document, a number of code amendments have subsequently been adopted based upon specific policies and recommendations contained in the report. The proposals included in this Section V incorporate the policy foundation of the Rural Economic Strategies report, lending support to the aforementioned code amendments adopted by the Council. It also acknowledges the evolving nature of the rural economy and therefore calls for the provision of annual reports to council outlining the progress towards implementing the Rural Economic Strategies. These new policies replace the previous economic policies contained in the Rural Chapter 3.

((R-406))

ED-125 ~~((King County recognizes and supports home occupations, home industries, and other small businesses that provide services to rural residents and are part of traditional rural economic activities and lifestyles found in King County's Rural Area. The county shall review its regulations and programs to preserve this component of the County's Rural Area. The Executive shall provide this analysis of the regulations and programs, along with any recommended code changes, for review by the King County Council by December 31, 2005.))~~
King County is committed to a sustainable and vibrant rural economy. County policy, regulations, and programs should support the preservation and enhancement of traditional rural economic activities and lifestyles, while supporting evolving compatible commercial uses and job opportunities.

³ On March 13, 20-08, Governor Gregoire signed into law SHB 2815 that calls for the creation of 25,000 clean energy, “green collar” jobs by 2020.

⁴ There are no changes to the policies contained in Section IV Regional Plans, pp. 9-9 through 9-10. No issues are raised by these policies.

ED-126 All economic development within the Rural Area and on resource lands shall be compatible with the surrounding rural character, be of an appropriate size and scale, and protect the natural environment.

~~((R-107))~~

~~ED-127 ((King County shall develop and implement a rural economic development strategy, which shall be consistent with the character and service levels of the Rural Area. The strategy shall be developed in coordination with the Rural Forest Commission, the Agricultural Commission, interested rural citizens, and other stakeholders. This strategy shall be transmitted to the King County Council by December 31, 2005, and shall include the following components:~~

- ~~a. Identification of rural economic development policies, goals, objectives and implementation tools necessary to bring income to the businesses and residents of rural King County within the strictures of GMA;~~
- ~~b. Establishment of an action plan that will identify roles, expected outcomes, milestones and schedules;~~
- ~~c. Assessment of the strengths, weaknesses, challenges and opportunities faced by the King County rural economy;~~
- ~~d. Inventory of the existing supply of commercial and industrial lands in the Rural Area and an assessment of its sufficiency over the 20-year planning horizon;~~
- ~~e. Identification of the types of businesses that should be encouraged and supported in rural areas;~~
- ~~f. Identification of current obstacles to overall rural economic development as well as impediments to the location or expansion of favored industries that are consistent with rural character;~~
- ~~g. Identification of the implementation tools capable of supporting and encouraging the retention, expansion and relocation of favored businesses; and~~
- ~~h. Consistency with and in support of the APD and the FPD.))~~

King County shall use the Rural Economic Strategies to guide future rural economic development and will modify and add strategies as needed to reflect the evolving nature of the rural economy.

- a. King County supports programs and strategies to help preserve and enhance rural businesses focusing on the rural economic clusters of agriculture (including livestock), forestry, home-based business, small-scale tourism, and other compatible rural businesses.
- b. King County should continue to review existing and proposed regulations to ensure they are relevant and effective in accommodating the differing needs and emerging trends of rural economic activity.
- c. ((Within the unincorporated area,)) King County should partner with rural businesses, unincorporated area councils, and others to develop and implement policies, programs, and strategies ((that promote local economic development)) to preserve and enhance the traditional rural economic base.

- d. King County should partner with other Puget Sound counties and businesses to analyze the need and possible sites for regional agricultural (including beef and poultry) and forest product processing facilities that may require regional demand to make them economically feasible. The county should also explore options and incentives to encourage entrepreneurs to invest in mobile forest and food production processing facilities that can serve the region.

Issues

Additional policy text should be considered to further reinforce the interdependency of rural and urban economic development activities. For instance, ED-127d could be broadened in scope to include partnerships that would focus not just on rural processing facilities but any infrastructure needed, whether in the Rural or Urban area, that is need to make rural businesses and farms economically viable (e.g., transportation, distribution, farmers markets, etc.).

E. Lack of Connection to Proposed Framework Policies

Except for the amendments relating to green collar jobs, there are no **new** policies that carry the themes⁵ of the framework policies into this Chapter.⁶ The Committee may determine that framework policies, such as those proposed or others, should be added to the Comprehensive Plan. However, since many of the economic development policies in this Chapter have been developed in conjunction with the Prosperity Partnership through the auspices of the Puget Sound Regional Council, and because the Equity and Social Justice Initiative is in its formative stages, a reasonable option would be to direct that policies be developed for the next major Comprehensive Plan Update in 2012 to address any adopted framework themes. This would allow the County to take a leadership role in promoting those framework themes on a regional, four-county basis.

ATTACHMENTS:

None

⁵ For example, public health and performance measures.

⁶ For example ED 101 calls for sustainable economic development but not at the expense of the natural or built environments. Arguably, all of the work force policies are aimed at creating equity and fulfilling social justice by programs to place low skilled, low income persons into employment positions that have benefits and wage progression.